

Politics & Policy

Nord Stream 2 Will Overshadow U.S.-German Relations for Years

By doggedly backing a Russian gas link, Angela Merkel has let down the U.S. and Europe – and left her successor only bad options.

By Andreas Kluth

July 12, 2021, 2:00 AM EDT



Now, about Vladimir's gas... *Photographer: Sandra Steins/Bundesregierung via Getty Images*

Just months before she retires from politics, German Chancellor Angela Merkel is jetting to Washington to meet U.S. President Joe Biden. The event will be staged to show a return to transatlantic harmony after four years of acrimony under Biden's predecessor, Donald Trump. But to keep up those appearances, the Americans will be hiding a crushing sense of disappointment, and the Germans a gnawing anxiety.

In different ways, both Merkel and Biden have been foils to Trump, not least by representing multilateralism and cooperation rather than nationalism. So Biden and his team were hoping for

a big show of support from Merkel, especially in confronting the autocratic antagonists of the democratic West: China and Russia.

Instead, Merkel has, in the cloaked and understated way that is her wont, snubbed Biden twice. The first affront occurred in December, just weeks before Biden was to take his oath of office, when she pushed a Chinese-European investment deal into its next phase – without even consulting Biden’s team. Instead of helping Washington to constrain Beijing, Merkel wants Europe to keep its options open.

The second and worse snub was her refusal to move even an inch toward bipartisan American demands regarding a controversial gas pipeline being built from Russia to Germany. Called Nord Stream 2 and more than 90% finished, it doubles the amount of gas Russia can export directly under the Baltic Sea to northwestern Europe.

Paired with TurkStream, a new Russian pipeline through the Black Sea and into southeastern Europe, Nord Stream 2 completes a strategic goal long pursued by Vladimir Putin, Russia’s president. In future he could, if he wanted, bypass Ukraine and other eastern European countries and cut off the gas now flowing through them. This would deprive those governments of much needed transit fees, leaving them isolated and open to Russian blackmail, or worse.

Putin’s Pipeline Plan to Bypass Eastern Europe

By adding Nord Stream 2 to the new TurkStream, Russia could cut out its current gas transit countries

More from

SPAC Shareholders Get Distracted

Let Schools Decide How to Spend Pandemic Windfall

What Michael Dell’s Dud Can Teach Manufacturers

London’s Delta Surge Should Jolt New York

Source: Agency for Cooperation of Energy Regulators

Putin, a product of the Soviet-era KGB, is already playing a game of threats and winks with Ukraine, which he has been destabilizing since 2014, when he annexed Crimea and seeded a proxy war in the country's east. "Everything is possible," he answered delphically [when asked](#) whether he'll keep gas flowing through Ukraine, "but goodwill from our Ukrainian partners is required." Few things are as creepy as the word "goodwill" passing the lips of this man.

The geopolitical threat posed by Nord Stream 2 seems blatant enough for Poland, the Baltic republics, France, the European Union and other allies, who all oppose the pipeline alongside the U.S. Nonetheless, the Germans keep burying their heads in the sand like geo-strategic ostriches. Implausibly, Merkel intones that the project is a purely commercial undertaking best left to the private sector.

In a last-ditch effort to stop the link's completion, the U.S. Congress has initiated sanctions against vessels laying the pipes, and in May wanted even tougher measures, including steps targeting a boss of Nord Stream 2 AG who is a German citizen. Biden, however, waived these sanctions, hoping not to jeopardize the wider U.S.-German relationship and giving negotiations more time. But Congress will demand sanctions again in August, when Biden has to show his hand.

That's making the Germans nervous, just as they enter the hot phase before their parliamentary election in September, which will produce a new government within months. The onus is now on lame-duck Merkel – this week, while in Washington – to offer the Americans some ideas for solving the geopolitical mess she's caused.

To her credit, she's already brokered an extension of the existing gas arrangement between Russia and Ukraine until 2024. Whether Putin, who's ignored international law in Crimea and elsewhere, will heed it is another matter. But the real question is what happens after 2024.

One option is for Germany to make clear that it would turn off the gas coming through Nord Stream 2 if ever Putin does cut out Ukraine. But that sounds implausible. Putin would turn off the Ukrainian taps in winter when western Europe is most dependent on Russia's gas and can't afford to throttle Nord Stream 2. And anyway, what's the logic of building a pipeline to supplement existing ones only to pretend you could shut them all off at once?

Another option is to fortify Ukraine by helping it develop new revenue sources and energy infrastructure. That's a good idea even in the absence of Nord Stream 2. But it won't save Ukraine from Russian blackmail and aggression. And it does nothing to comfort all the other countries in the region worried about being threatened.

Opinion. Data. More Data.

Get the most important Bloomberg Opinion pieces in one email.



Sign up to this newsletter

Yet another idea is for Germany to throw its economic weight behind a project called the Three Seas Initiative. It's meant to update infrastructure links between 12 eastern members of the European Union, including the ports and pipes needed to switch to liquefied natural gas from the U.S. or other suppliers. Again, great idea even without Nord Stream 2, but little comfort to Ukraine in this case.

The reality is that Merkel's obstinate defense of Nord Stream 2 will count as a stain on her otherwise expansive and nuanced legacy, and be a liability to her successor. It alienates both the U.S. and European partners by showing the hypocrisy of a country that claims to act in the interest of the EU when in fact it cares only about its own. And it may yet condemn eastern Europe to relive historical traumas of being crushed between Germans and Russians.

So look past the cheery photo ops of Biden and Merkel in Washington. Behind closed doors, they'll have to have a talk that should never have become necessary.

This column does not necessarily reflect the opinion of the editorial board or Bloomberg LP and its owners.

To contact the author of this story:

Andreas Kluth at akluth1@bloomberg.net

[Terms of Service](#) [Do Not Sell My Info \(California\)](#) [Trademarks](#) [Privacy Policy](#)

©2021 Bloomberg L.P. All Rights Reserved

[Careers](#) [Made in NYC](#) [Advertise](#) [Ad Choices](#) [Help](#)